

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 712 - SB 1416**

February 19, 2009

**SUMMARY OF BILL:** Creates a five-year pilot program to encourage Tennesseans to pursue academic studies in certain developing fields in certain emerging industries by offering Targeted Education and Economic Development (TEED) grants to certain eligible students. Such grants are established at \$3,000 per eligible student per academic year and are to be funded from net lottery proceeds. Requires any prospective student to have an annual income of \$36,000 or less, agree to be employed in an emerging industry for at least one year following graduation, and to sign a promissory note for the purpose of repayment if the student fails to meet the employment obligation or complete their degree program. Establishes limitations for the total number of grants and total annual funding of TEED grants.

**ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact - Increases the expenditure of lottery proceeds by \$75,000 in FY09-10, \$150,000 in FY10-11, \$300,000 in FY11-12, \$300,000 in FY12-13, and \$150,000 in FY13-14.**

Assumptions:

- One-hundred percent of students receiving TEED grants meet all obligations necessary to avoid the repayment provisions.
- The total number of TEED grants is limited to 25 and 50 for FY09-10 and FY10-11 respectively.
- Total funding for TEED grants are limited to \$150,000 in each FY09-10 and FY13-14. Total funding is limited to \$300,000 in each FY10-11, FY11-12, and FY12-13.
- Based on the two sets of limitations established in the bill, the increase of expenditures from lottery proceeds are estimated as follows: \$75,000 in FY09-10, \$150,000 in FY10-11, \$300,000 for each FY11-12 and FY12-13, and \$150,000 for FY13-14.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc